

SENATE BILL No. 561

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1-14-10; IC 6-1.1; IC 6-3.5-1.1-15; IC 6-9-39-5; IC 14-33-9-2; IC 20-18-2-21.5; IC 20-23-9; IC 20-26-11-23; IC 20-45-1-5; IC 20-46; IC 20-49; IC 36-3-1-5.1; IC 36-8.

Synopsis: Property tax matters. Provides that the maximum term or repayment period for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments is 20 years after the date of the first lease rental payment. Provides that the general reassessment shall begin in 2010 (rather than 2009). Provides that a petition for reassessment: (1) must specify whether the reassessment should occur in a particular township or should be countywide; (2) must be signed by not less than 100 real property owners or 5% of real property owners in the township or county; and (3) must be filed with the department of local government finance (DLGF) not later than 45 days after notice of assessment is provided. Provides that the county assessor determines the values of all classes of land in the county. Requires the DLGF to be a party to any addendum to a contract: (1) between a county assessor and a professional appraiser; and (2) between a county and providers of assessment software. Provides that if an assessing official assesses or reassesses any real property, a tax statement or, if applicable, a reconciling property tax statement is notice to the taxpayer of the amount of the assessment or reassessment. For real property with new additions or improvements since the previous assessment date, requires a separate notice to be provided within 90 days after the assessor completes the appraisal of a parcel or receives a report for a parcel from a professional appraiser. Exempts public utility and governmental easement documents from the property sale disclosure filing requirement. Authorizes the DLGF to use money
(Continued next page)

Effective: Upon passage; July 1, 2009.

Hershman

January 20, 2009, read first time and referred to Committee on Tax and Fiscal Policy.



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in the assessment training and administration fund for data base management expenses. Requires a political subdivision and the DLGF to consider fund balances in excess of 10% of budgeted expenditures in formulating the budget, property tax levy, and property tax rate. Changes the date for political subdivisions to complete budgets from August 10 to September 10. Eliminates a taxpayer notice of assessed value and estimated taxes that would have been required in September each year beginning in 2010. Requires a civil taxing unit to provide the county fiscal body with its proposed budget, tax rate, and levy at least 45 days, instead of 15 days, before it fixes its rate (30 days instead of 14 days for nonelected units). Provides that a civil taxing unit's preceding year levy is used if the deadline is not met. Gives the county fiscal body (or oversight unit for nonelected units) 30 days to complete its review. Provides that a county's preceding year levy is used if the deadline is not met. Moves the deadline for local budget meetings from September 30 to November 1. Requires the county board of tax adjustment to complete its work before November 2, instead of October 1, in most counties. Provides that in Marion County and counties with second class cities the board must complete its work by December 1 instead of November 1. Changes the deadline for a civil taxing unit to appeal its levy limit from September 20 to October 20. Eliminates the local government tax control board and the school property tax control board. Eliminates the state board of accounts approval of the property tax statement. Removes the tax rate and percentage change in liability from the property tax statement. Eliminates expiring provisions. Provides that in the case of property taxes billed under a provisional tax statement: (1) the first installment is due on the later of May 10 of the year following the year of the assessment date or 30 days after the mailing of the provisional tax statement; and (2) the second installment is due on the later of November 10 of the year following the year of the assessment date or a date determined by the county treasurer that is not later than December 31 of the year following the year of the assessment date. Requires provisional tax statements and reconciling tax statements to be on forms prescribed by the DLGF. Provides that the tax liability under a provisional tax statement may be up to 100% of the tax liability that was payable in the same year as the assessment date for the property for which the provisional tax statement is issued. Requires a provisional tax statement to include any adjustments to the tax liability as prescribed by the DLGF. Provides that the county assessor is a nonvoting member of the property tax assessment board of appeals. Provides that the county commissioners make three (rather than two) appointments to the property tax assessment board of appeals. Specifies that the provisions requiring the calculation and use of school assessment ratios and adjustment factors apply only to school corporations in counties in which a supplemental county levy is imposed. Repeals a provision requiring the calculation of a state average assessment ratio. Provides that the board of a conservancy district may, subject to any required budget review and approval, increase the conservancy district's budget by not more than 10% for contingencies. (Current law requires the budget to be increased by 10% for contingencies.) Provides that in addition to the establishment of a fire protection district after the filing of a petition by freeholders, a county legislative body may also establish fire protection districts through the normal ordinance process.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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SENATE BILL No. 561

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-1-14-10, AS AMENDED BY P.L.146-2008,
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 10. (a) If an issuer has issued obligations under a
4 statute that establishes a maximum term or repayment period for the
5 obligations, notwithstanding that statute, the issuer may continue to
6 make payments of principal, interest, or both, on the obligations after
7 the expiration of the term or period if principal or interest owed to
8 owners of the obligations remains unpaid.
9 (b) This section does not authorize the use of revenues or funds to
10 make payments of principal and interest other than those revenues or
11 funds that were pledged for the payments before the expiration of the
12 term or period.
13 (c) Except as otherwise provided by this section, IC 36-7-12-27, or
14 IC 36-7-14-25.1, the maximum term or repayment period for
15 obligations issued after June 30, 2008, that are wholly or partially



payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes;

(3) twenty (20) years after the date of the first lease rental payment, for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments; or
~~(3) (4) twenty (20) years, for obligations that are not described in subdivision subdivisions (1), or (2), or (3) and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.~~

SECTION 2. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the basis for taxes payable in 2003.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~2009~~, **2010**, and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

SECTION 3. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) A petition for the reassessment of real property situated within a township **or county** may be filed with the department of local government finance ~~on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made. not later than~~ **forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.**

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(b) The petition for reassessment must **specify whether the reassessment should occur in a particular township or should be countywide and must** be signed by **not less than the following percentage of all the owners of taxable the lesser of one hundred (100) real property who reside in the township owners or five percent (5%) of real property owners:**

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

(5) two percent (2%) for a township containing all or part of an incorporated city which has a population of more than fifty thousand (50,000) but not exceeding one hundred fifty thousand (150,000); or

(6) one percent (1%) for a township containing all or part of an incorporated city which has a population of more than one hundred fifty thousand (150,000);

(1) in a township (if the petition requests a reassessment of real property within a township); or

(2) in a county (if the petition requests a reassessment of real property within a county).

The signatures on the petition must be verified by the oath of one (1) or more of the signers. ~~And;~~ A certificate of the county auditor stating that the signers constitute the required number of resident owners of taxable real property of the township **or county, whichever is applicable,** must accompany the petition.

(c) Upon receipt of a petition under subsection (a), the department of local government finance may order a reassessment under section 9 of this chapter or conduct a reassessment under section 31.5 of this chapter.

SECTION 4. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. (a) The ~~township assessor, or the~~ county assessor ~~if there is no township assessor for the township,~~ shall determine the values of all classes of commercial, industrial, and

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1 residential land (including farm homesites) in the township or county
 2 using guidelines determined by the department of local government
 3 finance not later than November 1 of the year preceding the year in
 4 which a general reassessment becomes effective. the assessor
 5 determining the values of land shall submit the values to the county
 6 property tax assessment board of appeals. Not later than December 1
 7 of the year preceding the year in which a general reassessment becomes
 8 effective, the county property tax assessment board of appeals shall
 9 hold a public hearing in the county concerning those values. The
 10 property tax assessment board of appeals shall give notice of the
 11 hearing in accordance with IC 5-3-1 and shall hold the hearing after
 12 March 31 and before December 1 of the year preceding the year in
 13 which the general reassessment under section 4 of this chapter becomes
 14 effective.

15 (b) The county property tax assessment board of appeals shall
 16 review the values submitted under subsection (a) and may make any
 17 modifications it considers necessary to provide uniformity and equality.
 18 The county property tax assessment board of appeals shall coordinate
 19 the valuation of property adjacent to the boundaries of the county with
 20 the county property tax assessment boards of appeals of the adjacent
 21 counties using the procedures adopted by rule under IC 4-22-2 by the
 22 department of local government finance. If the county assessor fails to
 23 submit **determine** land values under subsection (a) to the county
 24 property tax assessment board of appeals before November 1 of the
 25 year before the date the general reassessment under section 4 of this
 26 chapter becomes effective, the county property tax assessment board
 27 of appeals shall determine the values. If the county property tax
 28 assessment board of appeals fails to determine the values before the
 29 general reassessment becomes effective, the department of local
 30 government finance shall determine the values.

31 (c) The county assessor shall notify all township assessors in the
 32 county (if any) of the values. ~~as modified by the county property tax~~
 33 ~~assessment board of appeals.~~ Assessing officials shall use the values
 34 determined under this section.

35 SECTION 5. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008,
 36 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2009]: Sec. 17. (a) Subject to the approval of the department
 38 of local government finance and the requirements of section 18.5 of
 39 this chapter, a county assessor may employ professional appraisers as
 40 technical advisors for assessments in all townships in the county. The
 41 department of local government finance may approve employment
 42 under this subsection only if the department is a party to the

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1 employment contract **and any addendum to the employment**
 2 **contract.**

3 (b) A decision by a county assessor to not employ a professional
 4 appraiser as a technical advisor in a general reassessment is subject to
 5 approval by the department of local government finance.

6 (c) As used in this chapter, "professional appraiser" means an
 7 individual or firm that is certified under IC 6-1.1-31.7.

8 SECTION 6. IC 6-1.1-4-19.5, AS AMENDED BY P.L.146-2008,
 9 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2009]: Sec. 19.5. (a) The department of local government
 11 finance shall develop a standard contract or standard provisions for
 12 contracts to be used in securing professional appraising services.

13 (b) The standard contract or contract provisions must contain:

14 (1) a fixed date by which the professional appraiser or appraisal
 15 firm shall have completed all responsibilities under the contract;

16 (2) a penalty clause under which the amount to be paid for
 17 appraisal services is decreased for failure to complete specified
 18 services within the specified time;

19 (3) a provision requiring the appraiser, or appraisal firm, to make
 20 periodic reports to the county assessor;

21 (4) a provision stipulating the manner in which, and the time
 22 intervals at which, the periodic reports referred to in subdivision
 23 (3) of this subsection are to be made;

24 (5) a precise stipulation of what service or services are to be
 25 provided and what class or classes of property are to be appraised;

26 (6) a provision stipulating that the contractor will generate
 27 complete parcel characteristics and parcel assessment data in a
 28 manner and format acceptable to the legislative services agency
 29 and the department of local government finance;

30 (7) a provision stipulating that the legislative services agency and
 31 the department of local government finance have unrestricted
 32 access to the contractor's work product under the contract; and

33 (8) a provision stating that the department of local government
 34 finance is a party to the contract **and any addendum to the**
 35 **contract.**

36 The department of local government finance may devise other
 37 necessary provisions for the contracts in order to give effect to this
 38 chapter.

39 (c) In order to comply with the duties assigned to it by this section,
 40 the department of local government finance may develop:

41 (1) one (1) or more model contracts;

42 (2) one (1) contract with alternate provisions; or

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(3) any combination of subdivisions (1) and (2).
The department may approve special contract language in order to meet any unusual situations.

SECTION 7. IC 6-1.1-4-22, AS AMENDED BY P.L.146-2008, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. (a) If any assessing official assesses or reassesses any real property under this article, ~~the official shall give notice to the taxpayer and the county assessor, by mail, a tax statement under IC 6-1.1-22-8.1 or, if applicable, a reconciling property tax statement under IC 6-1.1-22.5~~ **is notice to the taxpayer** of the amount of the assessment or reassessment.

(b) ~~During a period of general reassessment, each township or county assessor shall mail the notice required by this section~~ **For real property with new additions or improvements since the previous assessment date, if any assessing official assesses or reassesses the real property under this article, the official shall give notice (separate from the notice required by subsection (a)) to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment** within ninety (90) days after the assessor:

(1) completes the appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 8. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, ~~2009~~, **2010**, the county council of each county shall ~~for property taxes due in 2006, 2007, 2008, and 2009~~, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4), **for property taxes due in 2006, 2007, and 2008, and one-eighth (1/8), for property taxes due in 2009 and 2010**, of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a general reassessment of real property that is to commence on July 1, ~~2014~~, **2015**, and each fifth year thereafter, the county council of each county shall, for property taxes due in the year

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that the general reassessment is to commence and the four (4) years preceding that year, levy against all the taxable property in the county an amount equal to one-fifth (1/5) of the estimated costs of the general reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a general reassessment; or

(2) making annual adjustments under section 4.5 of this chapter; has changed.

(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

(1) a general reassessment;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 9. IC 6-1.1-5.5-2, AS AMENDED BY P.L.144-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) As used in this chapter, "conveyance document" means any of the following:

(1) Any of the following that purports to transfer a real property interest for valuable consideration:

(A) A document.

(B) A deed.

(C) A contract of sale.

(D) An agreement.

(E) A judgment.

(F) A lease that includes the fee simple estate and is for a period in excess of ninety (90) years.

(G) A quitclaim deed serving as a source of title.

(H) Another document presented for recording.

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(2) Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, condemnation, or probate.

(3) Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.

(b) The term does not include the following:

(1) Security interest documents such as mortgages and trust deeds.

(2) Leases that are for a term of less than ninety (90) years.

(3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.

(4) Quitclaim deeds not serving as a source of title.

(5) Public utility or governmental easements or right-of-way.

SECTION 10. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:

(1) the department of local government finance:

(A) to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; **and**

(B) for data base management expenses; or

(2) the Indiana board to:

(A) conduct appeal activities; or

(B) pay for appeal services.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 11. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's ~~real property, or mobile home or manufactured home which is not assessed as real property~~; **homestead**, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year **immediately** preceding

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the year in which the ~~deduction is claimed~~; **property taxes are first due and payable**;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000);

(3) the individual has owned the ~~real property, mobile home, or manufactured home~~ **homestead** for at least one (1) year before claiming the deduction; or the individual has been buying the ~~real property, mobile home, or manufactured home~~ **homestead** under a contract that provides that the individual is to pay the property taxes on the ~~real property, mobile home, or manufactured home~~ **homestead** for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the ~~real property, mobile home, or manufactured home~~ **homestead**;

(5) the assessed value of the ~~real property, mobile home, or manufactured home~~ **homestead** does not exceed one hundred eighty-two thousand four hundred thirty dollars (\$182,430);

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, **26, 29, 30, 33, 34, 37, 37.5**, and 38 of this chapter **and the credits provided by IC 6-1.1-20.6**; and

(7) the person:

(1) ~~(A)~~ **(A)** owns the ~~real property, mobile home, or manufactured home~~ **homestead**; or

(2) ~~(B)~~ **(B)** is buying the ~~real property, mobile home, or manufactured home~~ **homestead** under contract;

on the date the statement required by section 10.1 of this chapter is filed.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

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(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the ~~real property, mobile home, or manufactured home~~ **homestead** while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 12. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008, SECTION 137, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

(1) The assessment of the taxpayer's tangible property.

(2) A deduction for which a review under this section is authorized by any of the following:

(A) IC 6-1.1-12-25.5.

(B) IC 6-1.1-12-28.5.

(C) IC 6-1.1-12-35.5.

(D) IC 6-1.1-12.1-5.

(E) IC 6-1.1-12.1-5.3.

(F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. ~~For an assessment date in a year before 2009, The notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:~~

~~(1) May 10 of the year; or~~

~~(2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).~~

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(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

(1) initiates a review under this section; and

(2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

(1) immediately forward the notice to the county board; and

(2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:

(A) discussing the specifics of the taxpayer's assessment or deduction;

(B) reviewing the taxpayer's property record card;

(C) explaining to the taxpayer how the assessment or deduction was determined;

(D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;

(E) noting and considering objections of the taxpayer;

(F) considering all errors alleged by the taxpayer; and

(G) otherwise educating the taxpayer about:

(i) the taxpayer's assessment or deduction;

(ii) the assessment or deduction process; and

(iii) the assessment or deduction appeal process.

(i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all

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assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. ~~The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.~~

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

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(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 13. IC 6-1.1-17-2, AS AMENDED BY P.L.1-2006, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) When formulating an annual budget estimate, the proper officers of a political subdivision shall prepare an estimate of the amount of revenue which the political subdivision will receive from the state for and during the budget year for which the budget is being formulated. These estimated revenues shall be shown in the budget estimate and shall be taken into consideration in calculating the tax levy which is to be made for the ensuing calendar year. However, this section does not apply to funds to be received from the state or the federal government for:

(1) township assistance;

(2) unemployment relief;

(3) old age pensions; or

(4) other funds which may at any time be made available under "The Economic Security Act" or under any other federal act

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which provides for civil and public works projects.

(b) When formulating an annual budget estimate, the proper officers of a political subdivision shall prepare an estimate of the amount of revenue that the political subdivision will receive under a development agreement (as defined in IC 36-1-8-9.5) for and during the budget year for which the budget is being formulated. Revenue received under a development agreement may not be used to reduce the political subdivision's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year.

(c) When formulating an annual budget estimate, the proper officers of a political subdivision shall consider the ending balance that will remain in each fund relative to the budgeted expenditures from the fund and whether the part of the balance in excess of ten percent (10%) of budgeted expenditures should be used instead of imposing additional property taxes for the ensuing year.

SECTION 14. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before ~~August~~ **September** 10 of the calendar year. ~~A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.~~

~~(b) Beginning in 2010, before October 1 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer~~

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book; a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year; taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

(i) the county board of tax adjustment; or

(ii) the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by:

(i) the county board of tax adjustment; or

(ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a):

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing;

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statements under subsection (b): Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) (c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) This subsection expires January 1, 2009: A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

- (1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund;
- (2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund;

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 15. IC 6-1.1-17-3.5, AS ADDED BY P.L.146-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9.

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal

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body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a civil taxing unit located in more than one (1) county, the civil taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the civil taxing unit's net assessed valuation is located.

(d) A civil taxing unit must file the information under subsection (b) at least ~~fifteen (15)~~ **forty-five (45)** days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

(e) A county fiscal body shall **complete the following at least fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter:**

(1) review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section; and

(2) issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the civil taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in nonfarm personal income for the county for the preceding six (6) calendar years; and

(2) increases in the budgets and tax levies of other civil taxing units in the county.

(g) The department of local government finance must provide each county fiscal body with the most recent available information concerning increases in Indiana nonfarm personal income and increases in county nonfarm personal income.

(h) If a civil taxing unit fails to file the information required by subsection (b) with the fiscal body of the county in which the civil taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that civil taxing unit are continued for the ensuing budget year.

(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any civil taxing unit subject to this section, the most recent annual

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appropriations and annual tax levy of the county are continued for the ensuing budget year.

SECTION 16. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) for budget years beginning before July 1, 2010, ~~September 30~~ **November 1** if a resolution adopted under section 5.6(d) of this chapter is in effect.

(2) The proper officers of all other political subdivisions, not later than ~~September 30~~ **November 1**.

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, 2010.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, a

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political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4. ~~after September 20 of that year.~~

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 17. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) For budget years beginning before July 1, 2010, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2010, this section applies to all school corporations. Beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

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- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting ~~after September 20 of that year.~~ **under IC 6-1.1-29-4.**

(d) This subsection does not apply to budget years after June 30, 2010. The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. Notwithstanding any resolution adopted under this subsection, beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 18. IC 6-1.1-17-9, AS AMENDED BY P.L.146-2008, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county board of tax adjustment shall complete the duties assigned to it under this chapter on or before ~~October 1st~~ **November 2** of each year, except that in a

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consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until ~~November~~ **December** 1 of each year.

(b) If the county board of tax adjustment fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, the county auditor shall send a certificate notice of those rates to each political subdivision of the county. The county auditor shall send these notices within five (5) days after:

(1) publication of the notice required by section 12 of this chapter; **or**

(2) **the tax rates are calculated and fixed by the county auditor;**

whichever applies.

(d) When the county auditor calculates and fixes tax rates, that action shall be treated as if it were the action of the county board of tax adjustment.

SECTION 19. IC 6-1.1-17-12, AS AMENDED BY P.L.146-2008, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. ~~As soon as~~ **If** the budgets, tax rates, ~~and or~~ tax levies are ~~approved or~~ modified by the county board of tax adjustment **or county auditor**, the county auditor shall within fifteen (15) days **of the modification** prepare a notice of the tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of **modification by** the county ~~board's action;~~ **board or county auditor**. The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 20. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's ~~action on~~ **or county auditor's modification** a political subdivision's budget, **tax**

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rate, or tax levy, by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget, ~~and tax rate~~, or tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall provide written notice to:

(1) the first ten (10) taxpayers whose names appear on the petition; or

(2) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer;

at least five (5) days before the date of the hearing.

SECTION 21. IC 6-1.1-17-14, AS AMENDED BY P.L.146-2008, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

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(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.

(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; for property taxes first due and payable before January 1, 2009; or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services; for property taxes first due and payable before January 1, 2009.

SECTION 22. IC 6-1.1-17-15, AS AMENDED BY P.L.146-2008, SECTION 159, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as ~~fixed~~ **modified** by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 23. IC 6-1.1-17-16, AS AMENDED BY P.L.146-2008, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter. **When reviewing a budget, rate, and levy, the department of local government finance shall consider the ending balance that will remain in each fund relative to the budgeted expenditures from the fund and whether the part of the balance in excess of ten percent (10%) of budgeted expenditures should be used instead of imposing additional property taxes for the ensuing year.**

(b) Subject to the limitations and requirements prescribed in this

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1 section, the department of local government finance may review,
 2 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
 3 any of the political subdivisions whose tax rates compose the aggregate
 4 tax rate within a political subdivision whose budget, tax rate, or tax
 5 levy is the subject of an appeal initiated under this chapter.

6 (c) Except as provided in subsections (j) and (k), before the
 7 department of local government finance reviews, revises, reduces, or
 8 increases a political subdivision's budget by fund, tax rate, or tax levy
 9 under this section, the department must hold a public hearing on the
 10 budget, tax rate, and tax levy. The department of local government
 11 finance shall hold the hearing in the county in which the political
 12 subdivision is located. The department of local government finance
 13 may consider the budgets by fund, tax rates, and tax levies of several
 14 political subdivisions at the same public hearing. At least five (5) days
 15 before the date fixed for a public hearing, the department of local
 16 government finance shall give notice of the time and place of the
 17 hearing and of the budgets by fund, levies, and tax rates to be
 18 considered at the hearing. The department of local government finance
 19 shall publish the notice in two (2) newspapers of general circulation
 20 published in the county. However, if only one (1) newspaper of general
 21 circulation is published in the county, the department of local
 22 government finance shall publish the notice in that newspaper.

23 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
 24 the department of local government finance may not increase a political
 25 subdivision's budget by fund, tax rate, or tax levy to an amount which
 26 exceeds the amount originally fixed by the political subdivision.
 27 However, if the department of local government finance determines
 28 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
 29 political subdivision, the maximum amount by which the department
 30 may increase the tax rate, tax levy, or budget is the amount originally
 31 fixed by the political subdivision, and not the amount that was
 32 incorrectly published or omitted in the notice described in
 33 IC 5-3-1-2.3(b). The department of local government finance shall give
 34 the political subdivision written notification specifying any revision,
 35 reduction, or increase the department proposes in a political
 36 subdivision's tax levy or tax rate. The political subdivision has ~~two (2)~~
 37 **weeks ten (10) calendar days** from the date the political subdivision
 38 receives the notice to provide a written response to the department of
 39 local government finance's Indianapolis office. The response may
 40 include budget reductions, reallocation of levies, a revision in the
 41 amount of miscellaneous revenues, and further review of any other
 42 item about which, in the view of the political subdivision, the

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department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
 - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or
 - (B) fails to act on the appeal before the department certifies its action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.
- (4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

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(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 24. IC 6-1.1-17-20, AS AMENDED BY P.L.146-2008, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the percentage increase in the proposed budget for the taxing unit for the ensuing calendar year is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

(b) As used in this section, "taxing unit" has the meaning set forth

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in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 25. IC 6-1.1-18.5-7, AS AMENDED BY P.L.146-2008, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the

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1 levy limits imposed under section 3 of this chapter for a calendar year,
 2 the civil taxing unit shall refer its proposed budget, ad valorem
 3 property tax levy, and property tax rate for that calendar year to ~~the~~
 4 ~~local government tax control board established by section 11 of this~~
 5 ~~chapter before the tax levy is advertised. The local government tax~~
 6 ~~control board shall then review and make a recommendation to the~~
 7 ~~department of local government finance. on the civil taxing unit's~~
 8 ~~budget, ad valorem property tax levy, and property tax rate for that~~
 9 ~~calendar year.~~ The department of local government finance shall make
 10 a final determination of the civil taxing unit's budget, ad valorem
 11 property tax levy, and property tax rate for that calendar year. However,
 12 a civil taxing unit may not impose a property tax levy for a year if the
 13 unit did not exist as of March 1 of the preceding year.

14 SECTION 26. IC 6-1.1-18.5-8, AS AMENDED BY P.L.146-2008,
 15 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The ad valorem property tax
 17 levy limits imposed by section 3 of this chapter do not apply to ad
 18 valorem property taxes imposed by a civil taxing unit if the civil taxing
 19 unit is committed to levy the taxes to pay or fund either:

- 20 (1) bonded indebtedness; or
- 21 (2) lease rentals under a lease with an original term of at least five
- 22 (5) years.

23 (b) Except as provided by subsections (g) and (h), a civil taxing unit
 24 must file a petition requesting approval from the department of local
 25 government finance to incur bonded indebtedness or execute a lease
 26 with an original term of at least five (5) years not later than twenty-four
 27 (24) months after the first date of publication of notice of a preliminary
 28 determination under IC 6-1.1-20-3.1(2) (as in effect before July 1,
 29 2008), unless the civil taxing unit demonstrates that a longer period is
 30 reasonable in light of the civil taxing unit's facts and circumstances. A
 31 civil taxing unit must obtain approval from the department of local
 32 government finance before the civil taxing unit may:

- 33 (1) incur the bonded indebtedness; or
- 34 (2) enter into the lease.

35 ~~The department of local government finance may seek~~
 36 ~~recommendations from the local government tax control board~~
 37 ~~established by section 11 of this chapter when determining whether to~~
 38 ~~authorize incurring the bonded indebtedness or the execution of the~~
 39 ~~lease.~~

40 (c) The department of local government finance shall render a
 41 decision within three (3) months after the date it receives a request for
 42 approval under subsection (b). However, the department of local

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government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

(g) This subsection applies only to bonds, leases, and other obligations for which a civil taxing unit:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations payable from ad valorem property taxes but not described in subdivision (1), adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may issue or enter into bonds, a lease, or any other obligation.

(h) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may construct, alter, or repair a capital project.

SECTION 27. IC 6-1.1-18.5-12, AS AMENDED BY P.L.146-2008, SECTION 179, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

(1) before ~~September~~ **October** 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before December 31 of the calendar year immediately preceding the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall ~~promptly deliver to the local government tax control board every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board shall~~ immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the ~~local government tax control board~~ **department of local government finance** has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the ~~board~~ **department** with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing ~~of the local government tax control board~~ after having been given written notice ~~from the local government tax control board~~ requiring that person's attendance; or

(2) fails to produce ~~for the local government tax control board's use~~ the books and records that the ~~local government tax control board~~ **department** by written notice required the officer or member to produce;

then the ~~local government tax control board~~ **department** may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county

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1 within which the circuit court is sitting shall serve the summons. The
 2 summons must command the officer or member to appear before the
 3 ~~local government tax control board~~ **department** to provide information
 4 to the ~~local government tax control board~~ **department** or to produce
 5 books and records for the ~~local government tax control board's~~
 6 **department's** use, as the case may be. Disobedience of the summons
 7 constitutes, and is punishable as, a contempt of the circuit court that
 8 issued the summons.

9 (f) All expenses incident to the filing of an affidavit under
 10 subsection (d) and the issuance and service of a summons shall be
 11 charged to the officer or member against whom the summons is issued,
 12 unless the circuit court finds that the officer or member was acting in
 13 good faith and with reasonable cause. If the circuit court finds that the
 14 officer or member was acting in good faith and with reasonable cause
 15 or if an affidavit is filed and no summons is issued, the expenses shall
 16 be charged against the county in which the affidavit was filed and shall
 17 be allowed by the proper fiscal officers of that county.

18 (g) The fiscal officer of a civil taxing unit that appeals under section
 19 16 of this chapter for relief from levy limitations shall immediately file
 20 a copy of the appeal petition with the county auditor and the county
 21 treasurer of the county in which the unit is located.

22 SECTION 28. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008,
 23 SECTION 180, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2009]: Sec. 13. With respect to an appeal filed
 25 under section 12 of this chapter, the ~~local government tax control board~~
 26 **may recommend department may find** that a civil taxing unit **should**
 27 receive any one (1) or more of the following types of relief:

28 (1) Permission to the civil taxing unit to increase its levy in excess
 29 of the limitations established under section 3 of this chapter, if in
 30 the judgment of the ~~local government tax control board~~
 31 **department** the increase is reasonably necessary due to increased
 32 costs of the civil taxing unit resulting from annexation,
 33 consolidation, or other extensions of governmental services by the
 34 civil taxing unit to additional geographic areas or persons. With
 35 respect to annexation, consolidation, or other extensions of
 36 governmental services in a calendar year, if those increased costs
 37 are incurred by the civil taxing unit in that calendar year and more
 38 than one (1) immediately succeeding calendar year, the unit may
 39 appeal under section 12 of this chapter for permission to increase
 40 its levy under this subdivision based on those increased costs in
 41 any of the following:

42 (A) The first calendar year in which those costs are incurred.

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(B) One (1) or more of the immediately succeeding four (4) calendar years.

~~(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:~~

~~(A) the cost of personal services (including fringe benefits);~~

~~(B) the cost of supplies; and~~

~~(C) any other cost directly related to the operation of the court.~~

~~(3) (2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board department finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):~~

~~STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:~~

~~(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or~~

~~(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the~~

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1 unit under IC 6-1.1-12-42 in 2006;
 2 divided by the sum determined under this STEP for the
 3 calendar year immediately preceding the particular calendar
 4 year.
 5 STEP THREE: Divide the sum of the three (3) quotients
 6 computed in STEP TWO by three (3).
 7 STEP FOUR: Compute separately, for each of the calendar
 8 years determined in STEP ONE, the quotient (rounded to the
 9 nearest ten-thousandth (0.0001)) of the sum of the total
 10 assessed value of all taxable property in all counties and:
 11 (i) for a particular calendar year before 2007, the total
 12 assessed value of property tax deductions in all counties
 13 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular
 14 calendar year; or
 15 (ii) for a particular calendar year after 2006, the total
 16 assessed value of property tax deductions that applied in all
 17 counties under IC 6-1.1-12-42 in 2006;
 18 divided by the sum determined under this STEP for the
 19 calendar year immediately preceding the particular calendar
 20 year.
 21 STEP FIVE: Divide the sum of the three (3) quotients
 22 computed in STEP FOUR by three (3).
 23 STEP SIX: Divide the STEP THREE amount by the STEP
 24 FIVE amount.
 25 The civil taxing unit may increase its levy by a percentage not
 26 greater than the percentage by which the STEP THREE amount
 27 exceeds the percentage by which the civil taxing unit may
 28 increase its levy under section 3 of this chapter based on the
 29 assessed value growth quotient determined under section 2 of this
 30 chapter.
 31 ~~(4) A levy increase may not be granted under this subdivision for~~
 32 ~~property taxes first due and payable after December 31, 2008.~~
 33 ~~Permission to the civil taxing unit to increase its levy in excess of~~
 34 ~~the limitations established under section 3 of this chapter; if the~~
 35 ~~local government tax control board finds that the civil taxing unit~~
 36 ~~needs the increase to pay the costs of furnishing fire protection for~~
 37 ~~the civil taxing unit through a volunteer fire department. For~~
 38 ~~purposes of determining a township's need for an increased levy;~~
 39 ~~the local government tax control board shall not consider the~~
 40 ~~amount of money borrowed under IC 36-6-6-14 during the~~
 41 ~~immediately preceding calendar year. However, any increase in~~
 42 ~~the amount of the civil taxing unit's levy recommended by the~~

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1 local government tax control board under this subdivision for the
2 ensuing calendar year may not exceed the lesser of:

3 (A) ten thousand dollars (\$10,000); or

4 (B) twenty percent (20%) of:

5 (i) the amount authorized for operating expenses of a
6 volunteer fire department in the budget of the civil taxing
7 unit for the immediately preceding calendar year; plus

8 (ii) the amount of any additional appropriations authorized
9 during that calendar year for the civil taxing unit's use in
10 paying operating expenses of a volunteer fire department
11 under this chapter; minus

12 (iii) the amount of money borrowed under IC 36-6-6-14
13 during that calendar year for the civil taxing unit's use in
14 paying operating expenses of a volunteer fire department.

15 (5) A levy increase may not be granted under this subdivision for
16 property taxes first due and payable after December 31, 2008.
17 Permission to a civil taxing unit to increase its levy in excess of
18 the limitations established under section 3 of this chapter in order
19 to raise revenues for pension payments and contributions the civil
20 taxing unit is required to make under IC 36-8. The maximum
21 increase in a civil taxing unit's levy that may be recommended
22 under this subdivision for an ensuing calendar year equals the
23 amount, if any, by which the pension payments and contributions
24 the civil taxing unit is required to make under IC 36-8 during the
25 ensuing calendar year exceeds the product of one and one-tenth
26 (1.1) multiplied by the pension payments and contributions made
27 by the civil taxing unit under IC 36-8 during the calendar year that
28 immediately precedes the ensuing calendar year. For purposes of
29 this subdivision, "pension payments and contributions made by a
30 civil taxing unit" does not include that part of the payments or
31 contributions that are funded by distributions made to a civil
32 taxing unit by the state.

33 (6) A levy increase may not be granted under this subdivision for
34 property taxes first due and payable after December 31, 2008.
35 Permission to increase its levy in excess of the limitations
36 established under section 3 of this chapter if the local government
37 tax control board finds that:

38 (A) the township's township assistance ad valorem property
39 tax rate is less than one and sixty-seven hundredths cents
40 (\$0.0167) per one hundred dollars (\$100) of assessed
41 valuation; and

42 (B) the township needs the increase to meet the costs of

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providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population; and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand

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four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

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(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum

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increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) (3) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

SECTION 29. IC 6-1.1-18.5-13.5, AS AMENDED BY P.L.224-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.5. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance may give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this

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chapter, if the ~~local government tax control board~~ **department** finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy ~~recommended by the local government tax control board~~ under this section for the ensuing calendar year may not exceed the greater of:

- (1) twenty-five thousand dollars (\$25,000); or
- (2) twenty percent (20%) of the sum of:
 - (A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus
 - (B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 30. IC 6-1.1-18.5-13.6, AS AMENDED BY P.L.146-2008, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2008. For an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a county to increase its levy in excess of the limitations established under section 3 of this chapter if the ~~local government tax control board~~ **department** finds that the county needs the increase to pay for:

- (1) a new voting system; or
- (2) the expansion or upgrade of an existing voting system; under IC 3-11-6.

SECTION 31. IC 6-1.1-18.5-14, AS AMENDED BY P.L.146-2008, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) ~~The local government tax control board may recommend to~~ The department of local government finance **may order** a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year **if the department finds that the error** affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy

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limitations, rate, or levy for the ensuing calendar year.

SECTION 32. IC 6-1.1-18.5-15, AS AMENDED BY P.L.146-2008, SECTION 183, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The department of local government finance, upon ~~receiving a recommendation made making~~ **a finding** under section 13 or 14 of this chapter, shall enter an order ~~adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board: setting forth its final determination.~~

(b) A civil taxing unit may petition for judicial review of the final determination made by the department of local government finance under subsection (a). The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 33. IC 6-1.1-18.5-16, AS AMENDED BY P.L.146-2008, SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A civil taxing unit may request permission from the ~~local government tax control board~~ **department** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

- (1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;
- (2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and
- (3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the ~~local government tax control board~~ **department** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the ~~local government tax control board~~ **department** determines that a shortfall described in subsection (a) or (b) has occurred, it ~~shall recommend to~~ the department of local government finance **may find** that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this

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chapter. ~~and the department may adopt such recommendation.~~
 However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 34. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsections (h) and (i), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the

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money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

(i) This subsection applies only to a civil taxing unit that:

(1) has a levy excess for a particular calendar year;

(2) in the preceding calendar year experienced a shortfall in property tax collections below the civil taxing unit's property tax levy approved by the department of local government finance under IC 6-1.1-17; and

(3) did not receive permission from the ~~local government tax control board~~ **department** to impose, because of the shortfall in property tax collections in the preceding calendar year, a property tax levy that exceeds the limits imposed by section 3 of this chapter.

The amount that a civil taxing unit subject to this subsection must transfer to the civil taxing unit's levy excess fund in the calendar year in which the excess is collected shall be reduced by the amount of the civil taxing unit's shortfall in property tax collections in the preceding calendar year (but the reduction may not exceed the amount of the civil taxing unit's levy excess).

SECTION 35. IC 6-1.1-19-1, AS AMENDED BY P.L.146-2008, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~The following definitions apply throughout~~ **As used in** this chapter

(†) "appeal" refers to an appeal taken to the department of local government finance by or in respect of a school corporation under any of the following:

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~~(A)~~ (1) IC 6-1.1-17.

~~(B)~~ (2) IC 20-43.

(2) "Tax control board" means the school property tax control board established by section 4.1 of this chapter.

SECTION 36. IC 6-1.1-19-3, AS AMENDED BY P.L.146-2008, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. ~~(a)~~ When an appeal is taken to the department of local government finance, the department may exercise the powers described in IC 6-1.1-17 to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation.

(b) The department of local government finance may not exercise any of the powers described in subsection (a) until it receives, regarding the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.

SECTION 37. IC 6-1.1-19-7, AS AMENDED BY P.L.2-2006, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) Any recommendation that is to be made by the tax control board to the department of local government finance under any law that applies to the appeal must be made at the time prescribed in this chapter.

(b) If a time for making a recommendation is not prescribed in this chapter, the recommendation must be made at a time that permits the department of local government finance to complete the duties of the department that are set forth in IC 6-1.1-17 within the time allowed by law for the completion of the duties or within the additional time that is reasonably necessary for the department of local government finance and the tax control board to complete the duties set forth in this chapter.

~~(c)~~ (a) A tax levy is not invalid because of the failure of ~~either the tax control board or~~ the department of local government finance to complete its duties within the time or time limits provided by this chapter or any other law.

~~(d)~~ (b) Subject to this chapter, the department of local government finance may

(1) accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to the department of local government finance under this chapter; and

(2) make any order that is consistent with IC 6-1.1-17.

~~(e)~~ (c) A school corporation may petition for judicial review of the final determination of the department of local government finance. ~~under subsection (d).~~ The petition must be filed in the tax court not

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more than forty-five (45) days after the department enters its order.
under subsection (d):

SECTION 38. IC 6-1.1-22-8.1, AS AMENDED BY P.L.3-2008,
SECTION 53, AND AS AMENDED BY P.L.146-2008, SECTION
251, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2009]: Sec. 8.1. ~~(a)~~ This section applies only to
property taxes and special assessments first due and payable after
December 31, 2007:

~~(b)~~ (a) The county treasurer shall:

- (1) mail to the last known address of each person liable for any
property taxes or special assessment, as shown on the tax
duplicate or special assessment records, or to the last known
address of the most recent owner shown in the transfer book; and
- (2) transmit by written, electronic, or other means to a mortgagee
maintaining an escrow account for a person who is liable for any
property taxes or special assessments, as shown on the tax
duplicate or special assessment records;

a statement in the form required under subsection (c). *However, for
property taxes first due and payable in 2008, the county treasurer may
choose to use a tax statement that is different from the tax statement
prescribed by the department under subsection (c). If a county chooses
to use a different tax statement, the county must still transmit (with the
tax bill) the statement in either color type or black-and-white type.* (b).

~~(c)~~ (b) The department of local government finance shall prescribe
a form subject to the approval of the state board of accounts, for the
statement under subsection ~~(b)~~ (a) that includes at least the following:

- (1) A statement of the taxpayer's current and delinquent taxes and
special assessments.
- (2) A breakdown showing the total property tax and special
assessment liability and the amount of the taxpayer's liability that
will be distributed to each taxing unit in the county.
- (3) An itemized listing, for each property tax levy, including:
 - ~~(A)~~ the amount of the tax rate;
 - ~~(B)~~ (A) the entity levying the tax owed; and
 - ~~(C)~~ (B) the dollar amount of the tax owed.
- (4) Information designed to show the manner in which the taxes
and special assessments billed in the tax statement are to be used.
- (5) A comparison showing any change in the assessed valuation
for the property as compared to the previous year.
- (6) A comparison showing any change in the property tax and
special assessment liability for the property as compared to the
previous year. The information required under this subdivision

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1 must identify

2 ~~(A)~~ the amount of the taxpayer's liability distributable to each
3 taxing unit in which the property is located in the current year
4 and in the previous year. ~~and~~

5 ~~(B)~~ the percentage change, if any, in the amount of the
6 taxpayer's liability distributable to each taxing unit in which
7 the property is located from the previous year to the current
8 year.

9 (7) An explanation of the following:

10 (A) The homestead credit and all property tax deductions.

11 (B) The procedure and deadline for filing for the homestead
12 credit and each deduction.

13 (C) The procedure that a taxpayer must follow to:

14 (i) appeal a current assessment; or

15 (ii) petition for the correction of an error related to the
16 taxpayer's property tax and special assessment liability.

17 (D) The forms that must be filed for an appeal or a petition
18 described in clause (C).

19 The department of local government finance shall provide the
20 explanation required by this subdivision to each county treasurer.

21 (8) A checklist that shows:

22 (A) the homestead credit and all property tax deductions; and

23 (B) whether the homestead credit and each property tax
24 deduction applies in the current statement for the property
25 transmitted under subsection ~~(b)~~. **(a)**.

26 ~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one
27 (1) time each year at least fifteen (15) days before the date on which
28 the first or only installment is due. Whenever a person's tax liability for
29 a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of
30 this chapter, a statement that is mailed must include the date on which
31 the installment is due and denote the amount of money to be paid for
32 the installment. Whenever a person's tax liability is due in two (2)
33 installments, a statement that is mailed must contain the dates on which
34 the first and second installments are due and denote the amount of
35 money to be paid for each installment.

36 ~~(e)~~ **(d)** All payments of property taxes and special assessments shall
37 be made to the county treasurer. The county treasurer, when authorized
38 by the board of county commissioners, may open temporary offices for
39 the collection of taxes in cities and towns in the county other than the
40 county seat.

41 ~~(f)~~ **(e)** The county treasurer, county auditor, and county assessor
42 shall cooperate to generate the information to be included in the

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statement under subsection ~~(c)~~: **(b)**.

~~(g)~~ **(f)** The information to be included in the statement under subsection ~~(c)~~ **(b)** must be simply and clearly presented and understandable to the average individual.

~~(h)~~ **(g)** After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (*expired January 1, 2008, and repealed*) shall be treated as a reference to this section.

SECTION 39. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in subsections (b) and (c), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

(1) Subsection (c).

(2) Subsection (d).

~~(3) Subsection (h):~~

~~(4) Subsection (i):~~

~~(5) (3) IC 6-1.1-7-7.~~

~~(6) (4) Section 9.5 of this chapter.~~

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(d) before the county treasurer mails or transmits statements under section 8.1(b) of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under ~~section 8.1(b)~~ **section 8.1(a)** of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

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(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(d) by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

SECTION 40. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004, SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:
Sec. 8. A provisional statement must:

(1) be on a form **approved by the state board of accounts; prescribed by the department of local government finance;**

(2) except as provided in emergency rules adopted under section 20 of this chapter:

(A) indicate tax liability in the amount of **ninety percent (90%) not more than one hundred percent (100%)** of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued; **and**

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(B) include any adjustments to the tax liability as prescribed by the department of local government finance;

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under ~~IC 6-1.1-22-8;~~
IC 6-1.1-22-8.1; and

(ii) will be credited against a reconciling statement;

(4) include ~~the following~~ a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, _____ County (insert county) has elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on ~~May 10~~ _____ (insert date) and _____ ~~November 10~~ (insert date). The statement is based on ~~ninety~~ _____ percent (~~90%~~) (____%) (insert percent) of your tax liability for taxes payable in (insert year), subject to **any adjustment to the tax liability as prescribed by the department of local government finance and adjustment** for any new construction on your property or any damage to your property. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under ~~IC 6-1.1-22-8;~~
IC 6-1.1-22-8.1 for the ~~May~~ first installment of property taxes in the year in which the provisional tax statement is issued; and

(6) include any other information the county treasurer requires.

SECTION 41. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in subsection (b),

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subsection (c), and section 12 of this chapter, property taxes billed on a provisional statement are due in two (2) equal installments ~~on May 10 and November 10 of~~ in the year following the assessment date covered by the provisional statement.

(b) If in a county the notices of general reassessment under ~~IC 6-1.1-4-4~~ or notices of assessment under ~~IC 6-1.1-4-4.5~~ for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year; the property taxes that would otherwise be due under subsection (a) on ~~May 10 of the immediately succeeding calendar year~~ are **The first installment is** due on the later of:

(1) May 10 of the ~~immediately succeeding calendar year following the year of the assessment date covered by the provisional statement;~~ or

(2) ~~forty-five (45) thirty (30)~~ days after the mailing or transmittal of provisional statements.

(c) If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) on ~~November 10 of the immediately succeeding calendar year referred to in subsection (b)~~ are **The second installment is** due on the later of:

(1) November 10 of the ~~immediately succeeding calendar year following the year of the assessment date covered by the provisional statement;~~ or

(2) a date determined by the county treasurer that is not later than December 31 of the ~~immediately succeeding calendar year following the year of the assessment date covered by the provisional statement.~~

SECTION 42. IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement **must be on a form prescribed by the department of local government finance and** must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

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- 1 (i) thirty (30) days after the date of the reconciling
- 2 statement;
- 3 (ii) if the county treasurer requests in writing that the
- 4 commissioner designate a later date, the date designated by
- 5 the commissioner; or
- 6 (iii) the date specified in an ordinance adopted under section
- 7 18.5 of this chapter; and
- 8 (4) if the amount under subdivision (2) exceeds the amount under
- 9 subdivision (1), that the taxpayer may claim a refund of the excess
- 10 under IC 6-1.1-26.
- 11 (b) If, upon receipt of the abstract referred to in section 6 of this
- 12 chapter, the county treasurer determines that it is possible to complete
- 13 the:
- 14 (1) preparation; and
- 15 (2) mailing or transmittal;
- 16 of the reconciling statement at least thirty (30) days before the due date
- 17 of the second installment specified in the provisional statement, the
- 18 county treasurer may request in writing that the department of local
- 19 government finance permit the county treasurer to issue a reconciling
- 20 statement that adjusts the amount of the second installment that was
- 21 specified in the provisional statement. If the department approves the
- 22 county treasurer's request, the county treasurer shall prepare and mail
- 23 or transmit the reconciling statement at least thirty (30) days before the
- 24 due date of the second installment specified in the provisional
- 25 statement.
- 26 (c) A reconciling statement prepared under subsection (b) **must be**
- 27 **on a form prescribed by the department of local government**
- 28 **finance and** must indicate:
- 29 (1) the actual property tax liability under this article on the
- 30 assessment determined for the assessment date for the property
- 31 for which the reconciling statement is issued;
- 32 (2) the total amount of the first installment paid under the
- 33 provisional statement for the property for which the reconciling
- 34 statement is issued;
- 35 (3) if the amount under subdivision (1) exceeds the amount under
- 36 subdivision (2), the adjusted amount of the second installment
- 37 that is payable by the taxpayer:
- 38 (A) as a final reconciliation of the tax liability; and
- 39 (B) not later than:
- 40 (i) November 10; or
- 41 (ii) if the county treasurer requests in writing that the
- 42 commissioner designate a later date, the date designated by

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the commissioner; and
 (4) if the amount under subdivision (2) exceeds the amount under
 subdivision (1), that the taxpayer may claim a refund of the excess
 under IC 6-1.1-26.

SECTION 43. IC 6-1.1-28-1, AS AMENDED BY P.L.219-2007,
 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2009]: Sec. 1. (a) Each county shall have a county property
 tax assessment board of appeals composed of individuals who are at
 least eighteen (18) years of age and knowledgeable in the valuation of
 property. In addition to the county assessor, only one (1) other
 individual who is an officer or employee of a county or township may
 serve on the board of appeals in the county in which the individual is
 an officer or employee. Subject to subsections (d) and (e), the fiscal
 body of the county shall appoint two (2) individuals to the board. At
 least one (1) of the members appointed by the county fiscal body must
 be a certified level two or level three assessor-appraiser. Subject to
 subsections (d) and (e), the board of commissioners of the county shall
 appoint ~~two (2)~~ **three (3)** freehold members so that not more than three
 (3) of the five (5) members may be of the same political party and so
 that at least three (3) of the five (5) members are residents of the
 county. At least one (1) of the members appointed by the board of
 county commissioners must be a certified level two or level three
 assessor-appraiser. ~~If the county assessor is a certified level two or~~
~~level three assessor-appraiser,~~ The board of county commissioners may
 waive the requirement in this subsection that one (1) of the freehold
 members appointed by the board of county commissioners must be a
 certified level two or level three assessor-appraiser. A person appointed
 to a property tax assessment board of appeals may serve on the
 property tax assessment board of appeals of another county at the same
 time. The members of the board shall elect a president. The employees
 of the county assessor shall provide administrative support to the
 property tax assessment board of appeals. The county assessor is a
~~voting~~ **nonvoting** member of the property tax assessment board of
 appeals. The county assessor shall serve as secretary of the board. The
 secretary shall keep full and accurate minutes of the proceedings of the
 board. A majority of the board that includes at least one (1) certified
 level two or level three assessor-appraiser constitutes a quorum for the
 transaction of business. Any question properly before the board may be
 decided by the agreement of a majority of the whole board.

(b) The county assessor, county fiscal body, and board of county
 commissioners may agree to waive the requirement in subsection (a)
 that not more than three (3) of the five (5) members of the county

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property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level two or level three Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection ~~(c)(1)~~: **(a)**.

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level two or level three Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

(d) Except as provided in subsection (e), the term of a member of the county property tax assessment board of appeals appointed under subsection (a):

- (1) is one (1) year; and
- (2) begins January 1.

(e) If:

- (1) the term of a member of the county property tax assessment board of appeals appointed under subsection (a) expires;
- (2) the member is not reappointed; and
- (3) a successor is not appointed;

the term of the member continues until a successor is appointed.

SECTION 44. IC 6-1.1-31.5-2, AS AMENDED BY P.L.146-2008, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Subject to section 3.5 of this chapter, the department shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

- (1) computer software;
- (2) software providers;
- (3) computer service providers; and
- (4) computer equipment providers.

(b) The rules of the department shall provide for:

- (1) the effective and efficient administration of assessment laws;
- (2) the prompt updating of assessment data;
- (3) the administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5; and

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(4) other information necessary to carry out the administration of the property tax assessment laws.

(c) After June 30, 2008, subject to section 3.5 of this chapter, a county:

(1) may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a); and

(2) may enter into a contract referred to in subdivision (1) **and any addendum to the contract** only if the department is a party to the contract **and the addendum**.

SECTION 45. IC 6-1.1-33.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. The division of data analysis shall:

(1) conduct continuing studies in the areas in which the department of local government finance operates;

(2) make periodic field surveys and audits of:

(A) tax rolls;

(B) plat books;

(C) building permits;

(D) real estate transfers; and

(E) other data that may be useful in checking property valuations or taxpayer returns;

(3) make test checks of property valuations to serve as the bases for special reassessments under this article;

(4) conduct biennially a coefficient of dispersion study for each township and county in Indiana;

(5) conduct quadrennially a sales assessment ratio study for each township and county in Indiana;

~~(6) compute school assessment ratios under IC 6-1.1-34; and~~

~~(7) (6) report annually to the executive director of the legislative services agency, in an electronic format under IC 5-14-6, the information obtained or determined under this section for use by the executive director and the general assembly, including:~~

~~(A) all information obtained by the division of data analysis from units of local government; and~~

~~(B) all information included in:~~

~~(i) the local government data base; and~~

~~(ii) any other data compiled by the division of data analysis.~~

SECTION 46. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. Each year in which a general assessment of real

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property becomes effective, the department of local government finance shall compute a new assessment ratio for each school corporation ~~and a new state average assessment ratio located in a county in which a supplemental county levy is imposed under IC 20-45-7 or IC 20-45-8.~~ In all other years, the department shall compute a new assessment ratio for **such** a school corporation ~~and a new state average assessment ratio~~ if the department finds that there has been sufficient reassessment or adjustment of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 47. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year in which a general reassessment takes effect. If the department of local government finance has not computed

(1) a new assessment ratio for a school corporation, ~~or~~

(2) ~~a new state average assessment ratio;~~

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 48. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing

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district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The ~~local government tax control board~~ established by ~~IC 6-1.1-18.5-11~~ **department of local government finance** shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The ~~local government tax control board~~ **department of local government finance** shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The

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certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 49. IC 6-9-39-5, AS AMENDED BY P.L.3-2008, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The fiscal body of a county may collect a county option dog tax imposed under section 3 of this chapter by any combination of the following methods:

(1) By designating one (1) or more persons in the county to collect the tax.

(2) By requiring a person who harbors or keeps a taxable dog to submit a complete and accurate county option dog tax return.

(3) By a method other than a method described in subdivision (1) or (2) as determined by the fiscal body of the county.

(b) A designee under subsection (a)(1) may retain a fee from the tax collected for each taxable dog in an amount determined by the fiscal body not to exceed seventy-five cents (\$0.75). A designee shall remit the balance of the money collected to the county treasurer by the tenth day of each month.

(c) If a fiscal body chooses to collect a county option dog tax imposed under section 3 of this chapter by requiring the submission of a county option dog tax return under subsection (a), the county treasurer may include a county option dog tax return form with every property tax statement that is mailed to a person under ~~IC 6-1.1-22-8.1(b)(1)~~. **IC 6-1.1-22-8.1(a)(1)**.

(d) The department of local government finance shall prescribe a county option dog tax return form that a county may use for the reporting of county option dog tax liability.

SECTION 50. IC 14-33-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The board shall budget annually the necessary money to meet the probable expenses of operation and maintenance of the district, including the following:

(1) Repairs.

(2) Fees.

(3) Salaries.

(4) Depreciation on all depreciable assets.

(5) Rents.

(6) Supplies.

(b) **Subject to any budget review and approval required under this chapter**, the board ~~shall~~ **may** add **not more than** ten percent (10%) of the total for contingencies.

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SECTION 51. IC 20-23-9-5, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall ~~submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 for~~ **hold** a factfinding hearing.

SECTION 52. IC 20-23-9-6, AS ADDED BY P.L.231-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. ~~(a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.~~

~~(b)~~ **(a)** At a **factfinding** hearing described in subsection (a), **under section 5 of this chapter**, the **school property tax control board department of local government finance** shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12.

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the ~~school property tax control board~~ **department of local government finance** shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing

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corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, ~~a school property tax control board~~ **the department of local government finance** determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment; or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 7 of this chapter.

SECTION 53. IC 20-23-9-7, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) If ~~a school property tax control board~~ **the department of local government finance** makes a determination under section 6(d) of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual obligation calling for an annual outlay by the township exceeding ten thousand dollars (\$10,000);

(C) purchasing personal property for a consideration greater than ten thousand dollars (\$10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for any calendar year;

until the township school has made all required payments under section 6(b)(1) of this chapter and filed all required reports under section 6(b)(3) of this chapter; and

(2) shall certify to the treasurer of state the amount of arrears determined under section 6(b)(2) of this chapter.

(b) Upon being notified of the amount of arrears certified under subsection (a)(2), the treasurer of state shall make payments from the funds of state to the extent, but not in excess, of any amounts appropriated by the general assembly for distribution to the township school, deducting the payments from any amount distributed to the township school.

SECTION 54. IC 20-26-11-23, AS AMENDED BY P.L.146-2008, SECTION 473, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and

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where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance. ~~and any grant shall be made solely after affirmative recommendation of the school property tax control board.~~ Repayment of any advance or loan from the state shall be made from state tuition support distributions or other money available to the school corporation.

SECTION 55. IC 20-46-1-7, AS AMENDED BY P.L.146-2008, SECTION 494, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the levy; and

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(2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor and the department of local government finance. Upon receipt of the certified resolution, the ~~tax control board~~ **department of local government finance** shall proceed in the same manner as the ~~tax control board~~ **department** would for any other levy being reimposed or extended under this chapter. However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under IC 6-1.1-19-4.5(c) (before its repeal) and this chapter, after June 30, 2006.

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.

SECTION 56. IC 20-46-3-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. A school corporation may petition the ~~tax control board~~ **department of local government finance** to impose a property tax to raise revenue for the purposes of the fund. However, before a school corporation may impose a property tax under this chapter, the school corporation must file a petition with the ~~tax control board~~ **department of local government finance** under IC 6-1.1-19. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed levy.
- (4) Any other item required by the ~~school property tax control board~~ **department of local government finance**.

SECTION 57. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18.5-9.9, the

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1 tax control board may recommend to the department of local
 2 government finance ~~that a~~ may allow a school corporation ~~be allowed~~
 3 to establish a levy. The amount of the levy shall be determined each
 4 year and the levy may not exceed the lesser of the following:

5 (1) The revenue derived from a tax rate of eight and thirty-three
 6 hundredths cents (\$0.0833) for each one hundred dollars (\$100)
 7 of assessed valuation within the school corporation.

8 (2) The revenue derived from a tax rate equal to the difference
 9 between the maximum rate allowed for the school corporation's
 10 capital projects fund under IC 20-46-6 minus the actual capital
 11 projects fund rate that will be in effect for the school corporation
 12 for a particular year.

13 SECTION 58. IC 20-46-3-7, AS ADDED BY P.L.2-2006,
 14 SECTION 169, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2009]: Sec. 7. The department of local
 16 government finance shall review the petition of the school corporation
 17 ~~and the recommendation of the tax control board~~ and:

18 (1) disapprove the petition if the petition does not comply with
 19 this section;

20 (2) approve the petition; or

21 (3) approve the petition with modifications.

22 SECTION 59. IC 20-46-5-9, AS ADDED BY P.L.2-2006,
 23 SECTION 169, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2009]: Sec. 9. After reviewing the plan, the
 25 department of local government finance shall certify its approval,
 26 disapproval, or modification of the plan to the governing body and the
 27 county auditor of the county. ~~The department of local government~~
 28 ~~finance may seek the recommendation of the tax control board with~~
 29 ~~respect to this determination.~~ The action of the department of local
 30 government finance with respect to the plan is final.

31 SECTION 60. IC 20-46-6-15, AS ADDED BY P.L.2-2006,
 32 SECTION 169, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2009]: Sec. 15. After a hearing on the petition
 34 under section 14 of this chapter, the department of local government
 35 finance shall certify its approval, disapproval, or modification of the
 36 plan to the governing body and the county auditor of the county. ~~The~~
 37 ~~department of local government finance may seek the recommendation~~
 38 ~~of the tax control board with respect to the department of local~~
 39 ~~government finance's determination.~~

40 SECTION 61. IC 20-46-7-9, AS AMENDED BY P.L.146-2008,
 41 SECTION 511, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) This section applies only to

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an obligation subject to section 8 of this chapter. This section does not apply to bonded indebtedness or lease rental agreements for which a school corporation:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds or lease rental agreements not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 2008.

(b) The department of local government finance may:

(1) approve;

(2) disapprove; or

(3) modify then approve;

a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. ~~Before the department of local government finance approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.~~

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department of local government finance sends notice of the extension to the executive officer of the school corporation.

SECTION 62. IC 20-46-7-11, AS AMENDED BY P.L.146-2008, SECTION 513, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The department of local government finance in determining whether to approve or disapprove a school building construction project ~~and the tax control board in determining whether to recommend approval or disapproval of a school building construction project~~ shall consider the following factors:

(1) The current and proposed square footage of school building space per student.

(2) Enrollment patterns within the school corporation.

(3) The age and condition of the current school facilities.

(4) The cost per square foot of the school building construction project.

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(5) The effect that completion of the school building construction project would have on the school corporation's tax rate.

(6) Any other pertinent matter.

(b) The authority of the department of local government finance to determine whether to approve or disapprove a school building construction project does not after June 30, 2008, include the authority to review or approve the financing of the school building construction project.

SECTION 63. IC 20-49-2-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. A nondisaster advancement to any school corporation under section 10 of this chapter may not exceed two hundred fifty thousand dollars (\$250,000). However, this dollar limitation is waived if:

(1) the school corporation has an ~~adjusted~~ assessed valuation per ADA of less than eight thousand four hundred dollars (\$8,400);

and

(2) the school corporation's debt service fund tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation. ~~and~~

~~(3) the school property tax control board recommends a waiver of the limitation.~~

SECTION 64. IC 20-49-4-7, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:

(1) that sustained a loss from a disaster;

(2) whose ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM is within the lowest forty percent (40%) of the assessed valuation per ADM when compared with all school corporation ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM; or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 65. IC 20-49-4-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per student in ADM.

SECTION 66. IC 36-3-1-5.1, AS AMENDED BY P.L.216-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.1. (a) Except for those duties that are reserved by law to the county sheriff in this section, the city-county legislative body may by majority vote adopt an ordinance, approved by the mayor, to consolidate the police department of the consolidated city and the county sheriff's department.

(b) The city-county legislative body may not adopt an ordinance under this section unless it first:

- (1) holds a public hearing on the proposed consolidation; and
- (2) determines that:

- (A) reasonable and adequate police protection can be provided through the consolidation; and
- (B) the consolidation is in the public interest.

(c) If an ordinance is adopted under this section, the consolidation shall take effect on the date specified in the ordinance.

(d) Notwithstanding any other law, an ordinance adopted under this section must provide that the county sheriff's department shall be responsible for all the following for the consolidated city and the county under the direction and control of the sheriff:

- (1) County jail operations and facilities.
- (2) Emergency communications.
- (3) Security for buildings and property owned by:
 - (A) the consolidated city;
 - (B) the county; or
 - (C) both the consolidated city and county.
- (4) Service of civil process and collection of taxes under tax warrants.
- (5) Sex and violent offender registration.

(e) The following apply if an ordinance is adopted under this section:

- (1) The department of local government finance ~~on recommendation from the local government tax control board,~~ shall adjust the maximum permissible ad valorem property tax levy of the consolidated city and the county for property taxes first due and payable in the year a consolidation takes effect under this section. When added together, the adjustments under this subdivision must total zero (0).

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(2) The ordinance must specify which law enforcement officers of the police department and which law enforcement officers of the county sheriff's department shall be law enforcement officers of the consolidated law enforcement department.

(3) The ordinance may not prohibit the providing of law enforcement services for an excluded city under an interlocal agreement under IC 36-1-7.

(4) A member of the county police force who:

(A) was an employee beneficiary of the sheriff's pension trust before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains an employee beneficiary of the sheriff's pension trust. The member retains, after the consolidation, credit in the sheriff's pension trust for service earned while a member of the county police force and continues to earn service credit in the sheriff's pension trust as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the sheriff's pension trust.

(5) A member of the police department of the consolidated city who:

(A) was a member of the 1953 fund or the 1977 fund before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains a member of the 1953 fund or the 1977 fund. The member retains, after the consolidation, credit in the 1953 fund or the 1977 fund for service earned while a member of the police department of the consolidated city and continues to earn service credit in the 1953 fund or the 1977 fund as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the 1953 fund or the 1977 fund.

(6) The ordinance must designate the merit system that shall apply to the law enforcement officers of the consolidated law enforcement department.

(7) The ordinance must designate who shall serve as a coapplicant for a warrant or an extension of a warrant under IC 35-33.5-2.

(8) The consolidated city may levy property taxes within the consolidated city's maximum permissible ad valorem property tax levy limit to provide for the payment of the expenses for the

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operation of the consolidated law enforcement department. The police special service district established under section 6 of this chapter may levy property taxes to provide for the payment of expenses for the operation of the consolidated law enforcement department within the territory of the police special service district. Property taxes to fund the pension obligation under IC 36-8-7.5 may be levied only by the police special service district within the police special service district. The consolidated city may not levy property taxes to fund the pension obligation under IC 36-8-7.5. Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were members of the police department of the consolidated city on the effective date of the consolidation may be levied only by the police special service district within the police special service district. Property taxes to fund the pension obligation under IC 36-8-10 for members of the sheriff's pension trust and under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were not members of the police department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the consolidated city's maximum permissible ad valorem property tax levy. The assets of the consolidated city's 1953 fund and the assets of the sheriff's pension trust may not be pledged after the effective date of the consolidation as collateral for any loan.

(9) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year following the adoption of the consolidation ordinance and for the following two (2) years, to determine:

(A) the amount of any cost savings, operational efficiencies, or improved service levels; and

(B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the budget committee.

SECTION 67. IC 36-8-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A county legislative body may establish fire protection districts:

(1) as provided in this chapter after the filing of a petition by freeholders to establish the district; or

(2) through the normal ordinance process for any of the

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following purposes:

- ~~(1)~~ (A) Fire protection, including the capability for extinguishing all fires that might be reasonably expected because of the types of improvements, personal property, and real property within the boundaries of the district.
- ~~(2)~~ (B) Fire prevention, including identification and elimination of all potential and actual sources of fire hazard.
- ~~(3)~~ (C) Other purposes or functions related to fire protection and fire prevention.

(b) Any area may be established as a fire protection district, but one (1) part of a district may not be completely separate from another part. A municipality may be included in a district, but only if it consents by ordinance, unless a majority of the freeholders of the municipality have petitioned to be included in the district.

(c) Except as provided in subsection (d), the territory of a district may consist of:

- (1) one (1) or more townships and parts of one (1) or more townships in the same county; or
- (2) all of the townships in the same county.

The boundaries of a district need not coincide with those of other political subdivisions.

(d) The territory of a district may consist of a municipality that is located in more than one (1) county.

SECTION 68. IC 36-8-15-19, AS AMENDED BY P.L.146-2008, SECTION 784, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19. (a) This subsection applies to a county that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified

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1 distribution that is to be used to fund the operation of the district. If the
 2 county fiscal body adopts such an ordinance, it shall immediately send
 3 a copy of the ordinance to the county auditor.

4 (c) Subject to subsections (d), (e), and (f), if an ordinance or
 5 resolution is adopted changing the territory covered by the district or
 6 the number of public agencies served by the district, the ~~local~~
 7 ~~government tax control board~~ **department of local government**
 8 **finance** shall, for property taxes first due and payable during the year
 9 after the adoption of the ordinance, adjust the maximum permissible ad
 10 valorem property tax levy limits of the district and the units
 11 participating in the district.

12 (d) If a unit by ordinance or resolution joins the district or elects to
 13 have its public safety agencies served by the district, the ~~local~~
 14 ~~government tax control board~~ **department of local government**
 15 **finance** shall reduce the maximum permissible ad valorem property tax
 16 levy of the unit for property taxes first due and payable during the year
 17 after the adoption of the ordinance or resolution. The reduction shall be
 18 based on the amount budgeted by the unit for public safety
 19 communication services in the year in which the ordinance was
 20 adopted. If such an ordinance or resolution is adopted, the district shall
 21 refer its proposed budget, ad valorem property tax levy, and property
 22 tax rate for the following year to the ~~board,~~ **department of local**
 23 **government finance**, which shall review and set the budget, levy, and
 24 rate as though the district were covered by IC 6-1.1-18.5-7.

25 (e) If a unit by ordinance or resolution withdraws from the district
 26 or rescinds its election to have its public safety agencies served by the
 27 district, the ~~local government tax control board~~ **department of local**
 28 **government finance** shall reduce the maximum permissible ad
 29 valorem property tax levy of the district for property taxes first due and
 30 payable during the year after the adoption of the ordinance or
 31 resolution. The reduction shall be based on the amounts being levied
 32 by the district within that unit. If such an ordinance or resolution is
 33 adopted, the unit shall refer its proposed budget, ad valorem property
 34 tax levy, and property tax rate for public safety communication services
 35 to the ~~board,~~ **department of local government finance**, which shall
 36 review and set the budget, levy, and rate as though the unit were
 37 covered by IC 6-1.1-18.5-7.

38 (f) The adjustments provided for in subsections (c), (d), and (e) do
 39 not apply to a district or unit located in a particular county if the county
 40 fiscal body of that county does not impose an ad valorem property tax
 41 levy under subsection (a) to fund the operation of the district.

42 (g) A county that has adopted an ordinance under section 1(3) of

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1 this chapter may not impose an ad valorem property tax levy on
2 property within the district to fund the operation or implementation of
3 the district.

4 SECTION 69. THE FOLLOWING ARE REPEALED [EFFECTIVE
5 JULY 1, 2009]: IC 6-1.1-18.5-11; IC 6-1.1-19-4.1; IC 6-1.1-34-3;
6 IC 20-18-2-21.5; IC 20-45-1-5.

7 SECTION 70. [EFFECTIVE JULY 1, 2009] **(a) IC 6-1.1-12-9, as**
8 **amended by this act, applies to property taxes first due and**
9 **payable after December 31, 2009.**

10 **(b) This SECTION expires January 1, 2013.**

11 SECTION 71. An emergency is declared for this act.

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